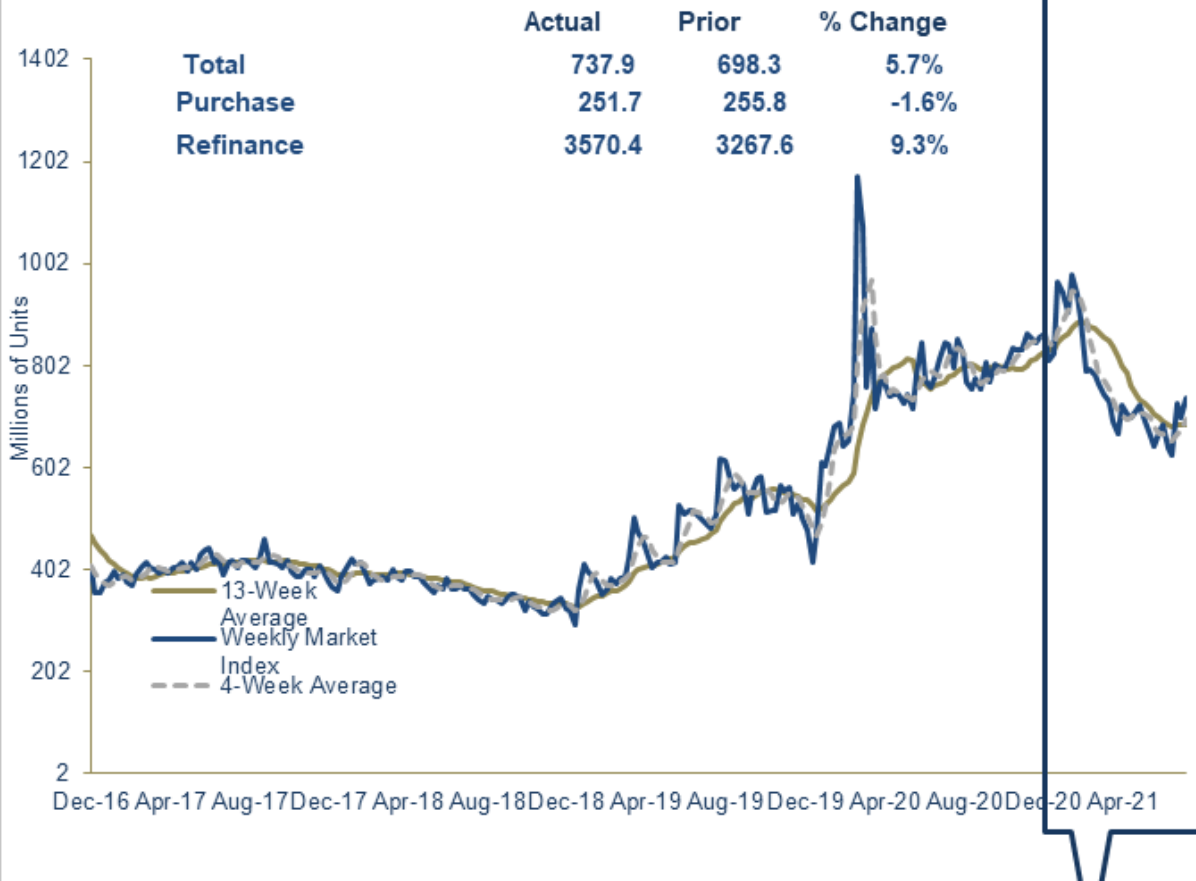


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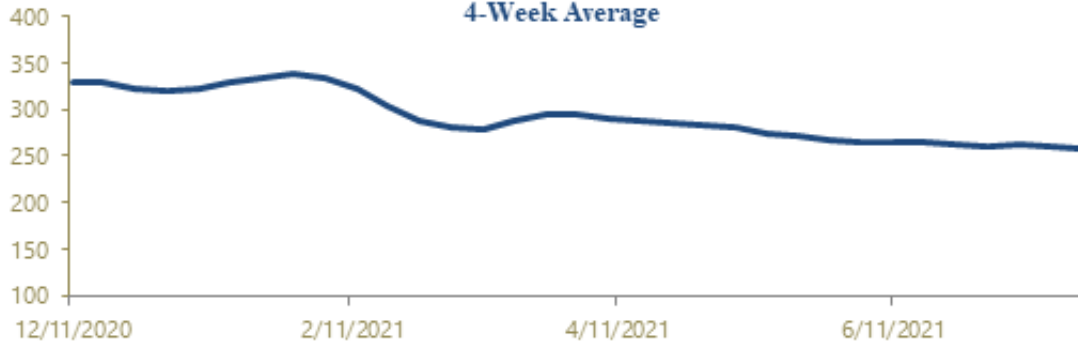
Mortgage Apps: Refis Jump, Respond To Lower Rates

Bottom Line: Mortgage applications for refinancing were higher as the average 30-year fixed-rate mortgage hit 3%. Purchase applications, though, were slightly lower as tight housing supply conditions continue to hinder activity. Refinancing apps accounted for over 67% of all applications last week, up from 60% of applications as rates hit the highs of the year. Mortgage rates have continued to move lower. Current coupon yields in the secondary market were down -3 bps last week, closing at 1.72%, and were down -2 bps this week through Tuesday. Of course, that bears close watching coming out of today's Federal Reserve FOMC meeting. Beyond refinancing activity, the medium- and longer-term questions will be if mortgage rates can stay below 3% and if that will be enough to propel existing home sales higher again after the modest slowdown in recent months.

Mortgage Applications



Purchase Index 4-Week Average



Refi Index 4-Week Average



The MBA Mortgage Applications Index ROSE by 5.7% during the week ended July 23 to 737.9, moderately above its 13 week average of 687.2 but 12.4% BELOW its year-ago level.

The Purchase Index FELL by 1.6% to 251.7, modestly below its 13 week average of 264.0 and 17.8% BELOW its year-ago level.

The Refinance Index ROSE by 9.3% to 3,570. Despite this increase, refinancing activity is sharply above its 13 week average of 3,148 but 9.7% BELOW its year-ago level.

Contract Mortgage Rates FELL with the 30-year fixed rate declining by 10 bps to 3.01% and the 15-year fixed rate declining by 10 bps to 2.36%.

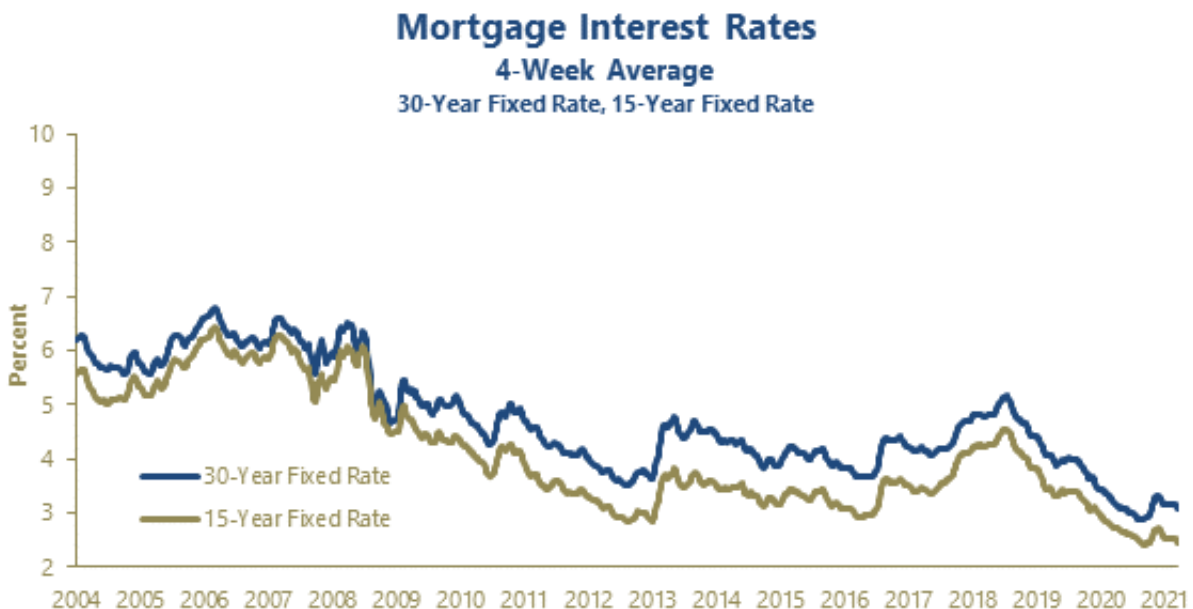
Key findings of MBA's Forbearance and Call Volume Survey - July 12 to July 18, 2021

- Total loans in forbearance decreased by 2 basis points relative to the prior week: from 3.50% to 3.48%.
 - By investor type, the share of Ginnie Mae loans in forbearance decreased relative to the prior week: from 4.36% to 4.35%.
 - The share of Fannie Mae and Freddie Mac loans in forbearance decreased relative to the prior week: from 1.83% to 1.81%.
 - The share of other loans (e.g., portfolio and PLS loans) in forbearance increased relative to the prior week: from 7.33% to 7.38%.
- By stage, 9.8% of total loans in forbearance are in the initial forbearance plan stage, while 83.2% are in a forbearance extension. The remaining 7.0% are forbearance re-entries.
- Total weekly forbearance requests as a percent of servicing portfolio volume (#) increased relative to the prior week: from 0.03% to 0.04%.
- Of the cumulative forbearance exits for the period from June 1, 2020, through July 18, 2021:
 - 28.0% resulted in a loan deferral/partial claim.
 - 23.2% represented borrowers who continued to make their monthly payments during their forbearance period.
 - 15.7% represented borrowers who did not make all of their monthly payments and exited forbearance without a loss mitigation plan in place yet.
 - 13.4% resulted in reinstatements, in which past-due amounts are paid back when exiting forbearance.
 - 10.8% resulted in a loan modification or trial loan modification.
 - 7.4% resulted in loans paid off through either a refinance or by selling

the home.

- The remaining 1.5% resulted in repayment plans, short sales, deed-in-lieu or other reasons.
- Weekly servicer call center volume:
 - As a percent of servicing portfolio volume (#), calls increased relative to the prior week: from 6.4% to 7.8%.
 - Average speed to answer decreased from 2.0 minutes to 1.1 minutes.
 - Abandonment rates decreased from 4.7% to 4.1%.
 - Average call length decreased from 8.1 minutes to 7.7 minutes.
- Loans in forbearance as a share of servicing portfolio volume (#) as of July 18, 2021:
 - Total: 3.48% (previous week: 3.50%)
 - IMBs: 3.68% (previous week: 3.68%)
 - Depositories: 3.61% (previous week: 3.62%)

MBA's latest Forbearance and Call Volume Survey covers the period from July 12 through July 18, 2021, and represents 74% of the first-mortgage servicing market (36.9 million loans).



Purchase Index vs. Existing Home Sales



Refinancing Index vs Mortgage Rate 4-Week Average



	23-Jul	16-Jul	9-Jul	2-Jul	25-Jun	18-Jun	11-Jun	4-Jun	28-May	13 Wk Avg	Year Ago
Market Index	737.9	698.3	727.5	627.0	638.8	686.4	672.4	645.4	665.9	687.2	841.9
Percent Change	5.7	-4.0	16.0	-1.8	-6.9	2.1	4.2	-3.1	-4.0	7.4	-12.4
Non-seasonally Adj. % Chg	5.6	20.0	-7.3	-1.9						8.1	-12.6
Purchase Index	251.7	255.8	273.3	252.4	255.2	268.0	266.3	262.1	261.4	264.0	306.1
Percent Change	-1.6	-6.4	8.3	-1.1	-4.8	0.6	1.6	0.3	-3.1	-4.7	-17.8
Refinancing Index	3,570	3,268	3,362	2,791	2,857	3,110	3,027	2,869	3,022	3,148	3,956
Percent Change	9.3	-2.8	20.4	-2.3	-8.2	2.8	5.5	-5.1	-4.6	13.4	-9.7
Refinance % of Total	67.2	64.9	64.1	61.6	61.9	62.5	61.7	60.4	61.3	62.5	65.1
	3.5	1.2	4.1	-0.5	-1.0	1.3	2.2	-1.5	-0.2	7.5	3.2
% of ARMs	3.6	3.3	3.5	3.3	3.6	3.9	3.8	3.9	3.7	3.7	3.2
30-Year Fixed Rate	3.01	3.11	3.09	3.15	3.20	3.18	3.11	3.15	3.17	3.14	3.20
15-Year Fixed Rate	2.36	2.46	2.48	2.52	2.56	2.58	2.49	2.52	2.56	2.51	2.76
5-Year ARM on 30-Year	2.81	2.74	3.02	2.94	2.98	2.69	2.69	2.54	2.54	2.74	3.08

Source: Mortgage Bankers Association via Bloomberg. Our calculations.

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July 28, 2021

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